

SUBCHAPTER H—PROGRAM REGULATIONS—Continued

PART 1950—GENERAL

Subparts A–B [Reserved]

Subpart C—Servicing Accounts of Borrowers Entering the Armed Forces

Sec.

1950.101 Purpose.

1950.102 General.

1950.103 Borrower owing FmHA or its successor agency under Public Law 103–354 loans which are secured by chattels.

1950.104 Borrower owing FmHA or its successor agency under Public Law 103–354 loans which are secured by real estate.

1950.105 Interest rate.

Subparts A–B [Reserved]

Subpart C—Servicing Accounts of Borrowers Entering the Armed Forces

AUTHORITY: 5 U.S.C. 301; 7 U.S.C. 1989; and 42 U.S.C. 1480.

§ 1950.101 Purpose.

Borrowers with accounts serviced by the Farmers Home Administration or its successor agency under Public Law 103–354 (FmHA or its successor agency under Public Law 103–354) who have entered or who are entering military service will require special treatment. This subpart prescribes the authorities, policies, and routines for servicing such cases in addition to those contained in other FmHA or its successor agency under Public Law 103–354 regulations.

[45 FR 43152, June 26, 1980]

§ 1950.102 General.

(a) FmHA or its successor agency under Public Law 103–354 will do everything possible to assist borrowers entering the armed forces to adjust their affairs in contemplation of military service. It is not the policy FmHA or its successor agency under Public Law 103–354 to renew, postpone, or modify annual installments due under a promissory note because of the borrower's entry into the armed services. However, under the Soldiers' and Sailors'

Civil Relief Act of 1940, the property of a borrower in the armed forces cannot validly be seized or sold by foreclosure or otherwise during the borrower's tenure of service, or for three months thereafter, except (1) pursuant to an agreement entered into by the borrower after having been accepted for service, or (2) by order of the Court. Any person causing an invalid sale to be made is guilty of a misdemeanor. Regardless of the foregoing, the long-time interest of the borrower can best be served by prompt and satisfactory arrangements for the use and protection, or disposition, of the security property in accordance with the policies expressed herein. Upon request, OGC will inform the State Director with respect to relief which may be secured by a borrower under the Soldiers' and Sailors' Civil Relief Act of 1940.

(b) In connection with Multiple Housing loans to individuals, references to County Supervisor and County Office in this subpart will be read as District Director and District Office.

[50 FR 45763, Nov. 1, 1985]

§ 1950.103 Borrower owing FmHA or its successor agency under Public Law 103–354 loans which are secured by chattels.

(a) *Policy.* (1) Borrowers who owe loans *other than* Farm Ownership (FO), Operating (OL), Soil and Water (SW), Recreation (RL), Emergency (EM), Economic Emergency (EE), Economic Opportunity (EO), Special Livestock (SL), Softwood Timber (ST) loans, and/or Rural Housing loans for farm service buildings (RHF). When information is received that a borrower is entering the armed forces, the County Supervisor will be responsible for contacting the borrower immediately for the purpose of reaching an understanding concerning the actions to take in connection with the FmHA or its successor agency under Public Law 103–354 loan indebtedness. The borrower will be permitted to retain the chattel security if arrangements can be worked out which are satisfactory to the borrower and FmHA or its successor agency under Public Law 103–354. However, because